SHIC talk

A program of the N.D. Insurance Department • Adam W. Hamm, Insurance Commissioner

April 2008

Adam W. Hamm
Insurance Commissioner

Commissioner 's Comments

Dear Friends:

I hope all is well. We have been busy getting to know the needs of our communities. It is interesting to see the common themes throughout North Dakota. Appropriate health care, affordable premiums and sound policies are just a few concerns with North Dakota citizens.

The SHIC program has a very strong counselor base and I am so proud of that. We value your input and commitment to the program. Currently, there are 80 counselors, but we would like to see our counselor base grow to include additional counties. We are focusing on expanding into the following counties: Divide, Burke, Golden Valley, Grant, Kidder, Stutsman, Dickey, Walsh and Nelson.

For you current volunteers, is there some resource that we can provide to enhance your volunteer experience? We would appreciate hearing your ideas on how to make volunteering for SHIC a better experience, whether it be about providing a different location to meet with clients, increased IT resources, extended training seminars, better access to staff at the state office or any other ideas you have. Please feel free to contact Cindy Sheldon at 701.328.9604 or csheldon@nd.gov with any suggestions.

Lastly, the North Dakota Department of Insurance will be sponsoring two pre-retirement seminars this summer. This informational event is especially valuable with the baby boomer population hitting full force. Sessions will be held in Fargo and Bismarck. More details will be forthcoming. We hope to see you there!

Sincerely,

Adam W. Hamm
ND Insurance
Commissioner

NORTH DAKOTA
a program of the North Dakota Insurance Department

SHIC
Senior Health Insurance Counseling

SSA sending notices of termination to LIS beneficiaries

The Social Security Administration (SSA) is in the process of mailing SSA Medicare Prescription Drug Assistance Notice of Termination letters to some beneficiaries who are currently receiving the low-income subsidy. A small group of beneficiaries will receive this mailing beginning the week of March 2. Beneficiaries will no longer receive the extra help effective April 1 because they did not provide information about their continuing eligibility.

It is important for beneficiaries to know three key things:

- Their current drug plan will contact them to let them know how much their coverage will cost.
- They have a three-month special enrollment period to enroll in a less expensive drug plan if they so choose.
- They can file an appeal or reapply for extra help.

Beneficiaries should contact SSA right away to file an appeal if they disagree with this decision. Appeals can be made within 60 days of receiving the dated letter from SSA. Only those who file an appeal within the first 10 days will continue to receive extra help while their appeal is waiting decision. Beneficiaries should also re-apply for extra help if their situation changes at any time in the future.

Beneficiaries should contact SSA at 1-800-SSA-1213 (1-800-772-1213) to file the appeal.

CMS offers three-month grace period for losing LIS

Because of recent changes to beneficiaries with low-income subsidy (LIS), we may only see the effects of losing LIS eligibility in April 2008. In October 2007, CMS told Part D sponsors that they may offer up to a three-month grace period for the collection of premiums and cost-sharing to individuals who will no longer automatically qualify for the LIS in 2008. Part D plans choosing to offer this grace period had to extend these circumstances to all of their enrollees. If after the grace period has expired the individual still does not appear as LIS eligible according to CMS records, sponsors would then recoup unpaid premiums or cost-sharing amounts consistent with CMS guidance.

As advised by CMS, LIS applicants losing this status should reapply **after** April 1, 2008 for LIS assistance through the SSA administration. If applying before this time, the Social Security Administration will look at the application with the 2007 financial data. People with a change in circumstance such as a death of a spouse can apply before this time. According to recent data, more than 70,000 currently-enrolled LIS enrollees were effected nationwide.

For updated CMS documents such as LIS brochures for low literacy individuals, Medicare and mental health services and skilled nursing facility brochures, please contact the SHIC office at 1.888.575.6611.

Long Term Care Partnership Program available in North Dakota

The Long Term Care Partnership Program offers Medicaid asset protection to consumers who buy long-term care insurance policies that satisfy requirements specified by the Deficit Reduction Act of 2005. Under these programs, state governments modify the rules of their Medicaid programs to allow applicants who have purchased long-term care insurance policies that meet certain requirements to qualify for Medicaid benefits while retaining assets.

The purpose of this program is to increase the number of people covered by private long-term care insurance and reduce the number of people ultimately relying on Medicaid. The partnership aspect refers to the collaboration between the public sector (state government) and the private sector (insurance companies) in funding long-term care needs. There are certain requirements that the long-term care insurance policy must meet, including:

- The policy must be a federally tax-qualified policy.
- The policy must be issued after Jan. 1, 2007 in North Dakota.
- The insured must be a resident of the state sponsoring the particular partnership
- Other consumer and inflation protection requirements must be met.

In general, long-term care insurance should be sold because there is a need for the insurance, not because of this program. Those needs include affordability in the future, the ability to preserve retirement assets and reducing the financial and emotional burden of long term care on family members.

For additional information, visit the North Dakota Department of Insurance website at www.nd.gov/ndins.

4 ways to lower costs during the coverage gap

1. **Consider switching to generics, over-the-counter (OTC) or other brand name drugs.**
   Because Medicare Part D recipients are hitting the donut hole earlier than ever, it is important to evaluate if beneficiaries are able to substitute taking generic, over-the-counter (OTC) or less-expensive brand name drugs that would work just as well. Additionally, costs savings may positively affect beneficiaries if they decide to use mail order pharmacies.

2. **Explore national and community-based charitable programs.**
   National or community-based charitable programs (such as the National Patient Advocate Foundation or the National Organization for Rare Disorders) may have programs that can help with your drug costs.

3. **Look into pharmaceutical assistance programs.**
   Many of the major drug manufacturers offer assistance programs for people enrolled in Medicare Part D. You can find out if a Patient Assistance Program is offered by the manufacturers of the drug by visiting www.needymed.com or locally by calling Prescription Connection for North Dakota at 1.888.575.6611.

4. **Apply for extra help.**
   If you have Medicare and have limited income and resources, you may qualify for extra help paying for your prescription drugs. If you qualify, you could only be financially responsible for $1-$5 for each drug. Contact the Social Security Administration at www.socialsecurity.gov or call 1.800.772.1213.

Private MA plan costs are higher than Medicare

Private Medicare Advantage (MA) plans can cost beneficiaries more than traditional Medicare for home health care, nursing homes and certain hospital stays, according to a report released on Thursday by the Government Accountability Office, the *New York Times* reports. Although Bush administration officials and insurers say that MA plans provide cost savings to beneficiaries in the form of lower co-payments and deductibles, the report found that because the experiences of certain beneficiaries do not align with the average, some pay significantly more out of pocket than they would in traditional Medicare. According to the report, in 2007, "19% of Medicare Advantage beneficiaries were in plans that projected higher cost-sharing for home health services, and 16% of beneficiaries were in plans that projected higher cost-sharing for inpatient services."

The report also found that about 48 percent of MA beneficiaries were in plans with an out-of-pocket maximum, ranging from $2,750 to $4,600. Insurers often say annual limits protect Medicare beneficiaries from high costs, but some MA plans exclude certain treatments and medical expenses from the annual out-of-pocket maximums, according to the report. GAO found that among MA plans with out-of-pocket limits, 29 percent exclude the cost of certain cancer drugs, 23 percent exclude some mental health services and 21 percent exclude home health care expenses. The report stated that "beneficiaries who use these services may pay more in total cost-sharing than is indicated by the plan's out-of-pocket maximum."

Costs to government

The report also found that the federal government "spends more per beneficiary in Medicare Advantage than it does for beneficiaries in the original Medicare fee-for-service program, at an estimated additional cost to Medicare of $54 billion from 2009 to 2012." Of the monthly per-beneficiary payments to MA plans, 87 percent is used for medical expenses, or $683 of $783 per beneficiary per month, according to the report. About nine percent, or $71 per beneficiary per month, is used for nonmedical expenses, including administration, marketing and sales. About four percent, or $30 per beneficiary per month, is considered profit, the report found.

GAO found that the additional money paid to private MA plans, which are reimbursed at higher rates than traditional Medicare, is not well focused. The report states, "If the policy objective is to subsidize health care costs of low-income Medicare beneficiaries, it may be more efficient to directly target subsidies to a defined low-income population than to subsidize premiums and cost-sharing for all Medicare Advantage beneficiaries, including those who are well off." For more information, visit www.kaisernetwork.org.

(Pear, *New York Times*, 2/28).

Seniors must file tax return to receive economic stimulus check

Nearly 20 million Americans who rely primarily on Social Security payments may receive a $300 or $600 check from the federal government as part of an economic stimulus package, but they must file 2007 tax returns to qualify.

Those eligible must have at least $3,000 in annual income from Social Security benefits, Veteran's Affairs benefits and/or railroad retirement benefits. Individuals who receive a check will not experience a loss of, or reduction in, their needs-based benefits (i.e. Medicaid, food stamps). The Internal Revenue Service has created a fact sheet that can be used by SHIP counselors and other advocates who are in frequent contact with seniors.

SHIC part of VA outreach event in Fargo

A Veterans 'welcome home' event will be held in Fargo 1–8 p.m. Thursday, June 5 and 8 a.m.–4:30 p.m. Friday, June 6. This event will be held in the third floor auditorium at the Fargo VA Medical Center. Everyone is welcome to attend.

Case scenario for quality assurance

Recently, CMS asked each SHIP to determine how they are going to provide quality assurance to their beneficiaries in their state. CMS's goal is to ensure that beneficiaries receive accurate, reliable and unbiased information. Due to this CMS request, we will provide a case scenario in every newsletter that we will share as a learning tool for ongoing education and consistency in problem-solving. To share a personal example, email csheldon@nd.gov.

Mary noticed on her EOB from Medicare that a doctor in California had been paid for a surgery and the remainder of the bill had been sent to her supplement. Mary has never been to California nor has she ever had surgery. Mary called 1.800.MEDICARE. The CSR told Mary to call the doctor in California and tell the doctor that he should refund the money to Medicare. Mary did not call California.

Later, Mary received another notice that another doctor in California had been paid for services Mary had received. Mary decided to call a SHIC counselor.

Solution:
The SHIC counselor asked Mary if she had the phone number for the medical facilities in California; Mary had those numbers. The SHIC counselor called the billing department of each facility and discussed the billings.

The SHIC counselor suspected that the billing departments had used an incorrect social security number. Fortunately, it was easy to use the billing date to search for the social security number and it was found that the California patient's social security number had been recorded incorrectly. The social security number used to bill Medicare was the social security number of Mary in North Dakota. The medical facility was able to re-bill Medicare and Mary's account was cleared.

Reminder:
It is important for all Medicare beneficiaries to look at their MSN's and ensure that they actually received the services *and* that they were billed correctly. If the medical procedure was billed wrong, a beneficiary should first try to resolve the problem directly with the facility. If the beneficiary needs assistance, they can contact a SHIC counselor. If the problem is still not resolved, MSN's contain appropriate appeals procedures, which SHIC counselors may be able to assist with.

SHIP IDs—
What are they and what is their benefit to SHIC counselors?

Q. **What is *Unique ID?***
A: *Unique ID* is a system developed by CMS for SHIP directors and counselors to obtain information from 1-800-MEDICARE customer services representatives (CSRs) or participating MA Plans and Part D sponsors (CSRs) which may be necessary to assist beneficiaries with claims-related issues and concerns.

Q. **How do SHIP counselors obtain a *Unique ID?***
A: Under the *Unique ID* system, state directors assign a *Unique ID* number to SHIP counselors who have completed a confidentiality statement and who have been trained to be entrusted with private information related to the beneficiaries they counsel.

Q. **Who has access to the *Unique ID* registry?**
A: 1-800-MEDICARE customer service representatives and participating MA plans and Part D sponsors have access to the *Unique ID* registry.

Q. **How often is the *Unique ID* registry updated?**
A: The *Unique ID* registry is updated monthly. SHIP directors should update their registry by the last Thursday of each month.

Q: **How can plans access the *Unique ID* registry?**
A: Participating MA plans and Part D sponsors can access the *Unique ID* registry by going to the Complaints Tracking Module. Go to: Monitoring > Complaints tracking > Download SHIP Unique ID File.

Q. Where is the list of participating MA and Part D sponsors located?
A: The list of participating MA and Part D Sponsors is located at **www.shiptalk.org** under What's New.

Baltimore Sun examines medicine mismanagement

About half of all U.S. seniors have improperly managed at least one prescription medication, and seniors are twice as likely as others to be admitted to an emergency department for drug safety issues, according to some experts, the *Baltimore Sun* recently reported.

According to a 2006 analysis by Medco Health Solutions, the drug error rate of patients over age 65 is about seven times more than patients younger than 65. The analysis also found that one in four elderly patients were prescribed medications by five or more physicians and one in 20 patients received prescriptions from eight or more physicians.

According to experts, people older than 65 represent 13 percent of the U.S. population and about one-third of all the drugs prescribed in the country. By 2040, an estimated 25 percent of U.S. residents will be age 65 or older and their prescription drug use also will rise to about half of what is prescribed nationally.

According to the *Sun*, the increasing population of aging baby boomers is one reason for the growing problem of medication mismanagement among U.S. seniors who take medications to treat chronic illnesses. Poor eyesight among seniors and misunderstandings about multiple doses and physician instructions could result in treatment plan mix-ups. Seniors also are more likely to experience the problems related to prescription drugs because their bodies process medications differently than younger people.

According to the *Sun*, many doctors have been asking patients to bring all their medications to appointments to help prevent negative drug interactions. There also has been a push for physicians to adopt electronic health records so that all doctors can see what medications their patients are taking, according to George Lowe, director of medical services at Overlea Physicians medical clinic.

(White, *Baltimore Sun*, 3/9).

Director's corner

Happy spring!

We just finished our spring recertification training via IVN. The feedback we received from the session was positive. Forty-nine counselors attended at statewide sites. Additionally, we recorded the sessions and have developed a self-study tool for recertification. If you were unable to attend and would like to recertify this way, please contact Jan at 701.328.9611.

We will be holding a new counselor training May 13, 14 and 15 in Bismarck. The training is free of charge—all meals, motel and mileage will be paid. If someone you know is interested, please give me a call.

The NDDOI/SHIC is holding two pre-retirement seminars, one in Bismarck and one in Fargo this summer. Dates have not yet been set, but we are looking forward to this new adventure. Watch for more information.

As always, thank you for all the services you provide Medicare beneficiaries in the state. Your one-on-one counseling provides peace of mind to many individuals.

Cindy Sheldon

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SHIC talk

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